

Home Office: Long Grove, IL 60049

## POWER OF ATTORNEY

Know All Men By These Presents:

That the Lumbermens Mutual Casualty Company, the American Motorists Insurance Company, and the American Manufacturers Mutual Insurance Company, corporations organized and existing under the laws of the State of Illinois, having their principal office in Long Grove, Illinois, (hereinafter collectively referred to as the "Company") do hereby appoint

Vivienne Douglas, Edward T. Healy, Lorraine Kehm and Kathleen K. Freund of Denver, Colorado (EACH)\*\*\*\*

their true and lawful agent(s) and attorney(s)-in-fact, to make, execute, seal, and deliver during the period beginning with the date of issuance of this power and ending on the date specified below, unless sooner revoked for and on its behalf as surety, and as their act and deed:

Any and all bonds and undertakings \*\*\*\*\*

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver any bond or undertaking which guarantees the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

This appointment may be revoked at any time by the Company.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal office in Long Grove, Illinois.

THIS APPOINTMENT SHALL CEASE AND TERMINATE WITHOUT NOTICE AS OF December 31, 2001

This Power of Attorney is executed by authority of resolutions adopted by the Executive Committees of the Boards of Directors of the Company on February 23, 1988 at Chicago, Illinois, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect:

"VOTED, That the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings, obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the Executive Committee of the Boards of Directors of the Company at a meeting duly called and held on the 23rd day of February, 1988:

"VOTED, That the signature of the Chairman of the Board, the President, any Vice President, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to resolution adopted by the Executive Committee of the Board of Directors on February 23, 1988 and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company."

In Testimony Whereof, the Company has caused this instrument to be signed and their corporate seals to be affixed by their authorized officers, this September 21, 2000.

Attested and Certified:

Lumbermens Mutual Casualty Company  
American Motorists Insurance Company  
American Manufacturers Mutual Insurance Company

*Robert P. Hames*

Robert P. Hames, Secretary



by

*J. S. Kemper III*

J. S. Kemper, III, Exec. Vice President

STATE OF ILLINOIS  
COUNTY OF LAKE SS

I, Irene Klewer, a Notary Public, do hereby certify that J. S. Kemper, III and Robert P. Hames personally known to me to be the same persons whose names are respectively as Exec. Vice President and Secretary of the Lumbermens Mutual Casualty Company, the American Motorists Insurance Company, and the American Manufacturers Mutual Insurance Company, Corporations organized and existing under the laws of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they being thereunto duly authorized signed, sealed with the corporate seals and delivered the said instrument as the free and voluntary act of said corporations and as their own free and voluntary acts for the uses and purposes therein set forth.



My commission expires 1-28-02

*Irene Klewer*

Irene Klewer, Notary Public

#### CERTIFICATION

I, J.K. Conway, Corporate Secretary of the Lumbermens Mutual Casualty Company, the American Motorists Insurance Company, and the American Manufacturers Mutual Insurance Company, do hereby certify that the attached Power of Attorney dated September 21, 2000 on behalf of the person(s) as listed above is a true and correct copy and that the same has been in full force and effect since the date thereof and is in full force and effect on the date of this certificate; and I do further certify that the said J. S. Kemper, III and Robert P. Hames, who executed the Power of Attorney as Executive Vice President and Secretary respectively were on the date of the execution of the attached Power of Attorney the duly elected Executive Vice President and Secretary of the Lumbermens Mutual Casualty Company, the American Motorists Insurance Company, and the American Manufacturers Mutual Insurance Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the Lumbermens Mutual Casualty Company, the American Motorists Insurance Company, and the American Manufacturers Mutual Insurance Company on this

FEBRUARY 26, 2001



*J. K. Conway*

J. K. Conway, Corporate Secretary

This Power of Attorney limits the acts of those named therein to the bonds and undertakings specifically named therein and they have no authority to bind the Company except in the manner and to the extent herein stated.

FORM MR-RC  
Revised January 18, 2000  
RECLAMATION CONTRACT

File Number M/001/027

Effective Date March 9, 2000

Other Agency File Number ML-3092

AA 3-6-00

*Replaced  
3/28/2001*

**STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES**

**DIVISION of OIL, GAS and MINING**

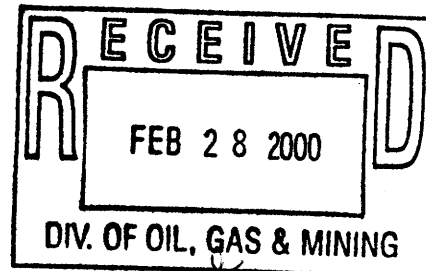
1594 West North Temple Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5291

Fax: (801) 359-3940



**RECLAMATION CONTRACT**

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*This original  
returned to  
operator 4/10/01*

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/001/027</u>
(Mineral Mined)	<u>Perlite</u>
"MINE LOCATION":	
(Name of Mine)	<u>Pearl Queen Perlite Mine</u>
(Description)	<u>part of SE/4 Sec 2</u>
	<u>T27S - R9W</u>
	<u>Located on State Land</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>10</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>Basin Perlite Company</u>
(Address)	<u>1776 Lincoln Street Suite 900</u>
	<u>Denver, CO 80203</u>
(Phone)	<u>303/863-3922</u>
	<u>FAX 303/863-1736</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

CT Corporation

(Address)

50 West Broadway

Salt Lake City, UT 84101

(Phone)

801/364-5101

"OPERATOR'S OFFICER(S)":

William R. Wilson - President

Ryan Bennett - Treasurer

Brian Dolan - Secretary

"SURETY":

(Form of Surety - Attachment B)

Surety

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Amwest Surety Insurance Co.

"SURETY AMOUNT":

(Escalated Dollars)

\$40,800

"ESCALATION YEAR":

2004

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Basin Perlite Company the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/001/027 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated February 7, 1997, and the original Reclamation Plan dated February 7, 1997. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face

amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Basin Perlite Company  
Operator Name

By William R. Wilson  
Authorized Officer (Typed or Printed)

President  
Authorized Officer - Position

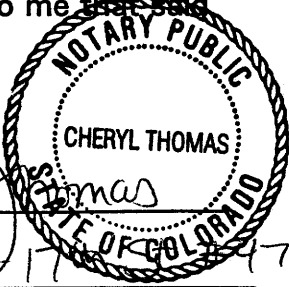
[Signature]  
Officer's Signature

October 21, 1999  
Date

STATE OF COLORADO )  
 ) ss:  
COUNTY OF DENVER )

On the 21st day of October, 19 99, personally  
appeared before me William R. Wilson who being by  
me duly sworn did say that he/she, the said  
is the President of Basin Perlite Company  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
President duly acknowledged to me that said  
company executed the same.

Cheryl Thomas  
Notary Public  
Residing at: 3701 17th St, #700  
Denver, CO 80202



8/6/2000  
My Commission Expires:

DIVISION OF OIL, GAS AND MINING:

By

Mary Ann Wright  
Mary Ann Wright, Associate Director

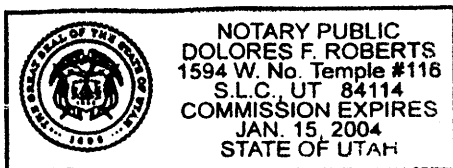
Date

March 9, 2000

STATE OF UTAH )

COUNTY OF SALT LAKE ) ss:

On the 9<sup>th</sup> day of MARCH, 20 00,  
personally appeared before me MARY ANN WRIGHT, who being  
duly sworn did say that he/she, the said MARY ANN WRIGHT  
is the Associate Director of the Division of Oil, Gas and Mining, Department of Natural  
Resources, State of Utah, and he/she duly acknowledged to me that he/she executed  
the foregoing document by authority of law on behalf of the State of Utah.



Dolores F. Roberts  
Notary Public  
Residing at: DAVIS County

1-15-2004  
My Commission Expires:



## ATTACHMENT "A"

<u>Basin Perlite Company</u>	<u>Pearl Queen Mine</u>
Operator	Mine Name
<u>M/001/027</u>	<u>Beaver</u> County, Utah
Permit Number	

### The legal description of lands to be disturbed is:

Part of (10 acres) located in the SE/4 of Section 2 T27S - R9N  
Beaver County, Utah. Area boundary is marked on the ground with  
appropriate signs.